



State Revolving Fund Loan Program

What is the State Revolving Fund (SRF) Loan Program?

The State Revolving Fund (SRF) Loan Program provides low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure. The Indiana Department of Environmental Management and the Indiana State Budget Agency work together to administer this program and protect public health and the environment.

Who is eligible?

- Cities, towns, counties, regional sewer/water districts, conservancy districts and water authorities are eligible for wastewater and drinking water SRF loans.
- Private and not-for-profit facilities are eligible only for drinking water SRF loans.

Where does the money come from?

- The Indiana State Budget Agency leverages an annual U.S. Environmental Protection Agency (U.S. EPA) capitalization grant in the bond market to assist communities with low interest loans, and to provide the 20 percent state match required for the U.S. EPA grant.

What types of projects are eligible for funding?

Any project where there is an existing pollution abatement need is eligible for SRF funding.

Wastewater projects include:

- Treatment plant improvements,
- Sewer line extensions to existing un-sewered properties,
- Upgrades,
- Combined sewer overflow corrections, and
- Infiltration/inflow projects.

Drinking water projects include:

- Treatment plant improvements,
- Water line extensions to existing un-served properties ,
- Upgrades, and
- Water storage facilities.

What types of projects are not eligible for funding?

- Projects that are solely intended for economic development.
- Projects that are primarily for fire suppression.
- Stormwater projects that have no environmental benefits.

How does a community apply for an SRF loan?

- An eligible entity can submit an application at any time to the State Revolving Fund Section of the Indiana Department of Environmental Management's Office of Water Quality.
- Application forms are available on IDEM's Web site at www.IN.gov/idem/water/fasb/srflp.html .

What are the loan terms?

- The SRF loan is a fixed, 20-year loan.
- Interest rates (from December 2000 to present) range from 2.9 percent to 4.5 percent based on the applicant's median household income (from current census data) and local user rates.
- The Indiana State Budget Agency will discuss the interest rate and other specific loan terms in detail once an application has been submitted.

Where can I get more information about SRF loans?

More information about SRF program administration and technical issues is available through IDEM's Office of Water Quality at (317) 232-8655 or (800) 451-6027 or visit IDEM's Web page at: <http://www.IN.gov/idem/water/fasb/srf/index.html>. For information about finance issues, contact the Indiana State Budget Agency at (317) 232-0759.